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Agenda item 7 (b)

WORK RELATED TO THE CODE OF CONDUCT ON TRANSNATIONAL CORPORATIONS AND OTHER INTERNATIONAL ARRANGEMENTS AND AGREEMENTS: OTHER INTERNATIONAL, REGIONAL AND BILATERAL ARRANGEMENTS AND AGREEMENTS RELATED TO TRANSNATIONAL CORPORATIONS

Corrupt practices in international business transactions

Draft resolution submitted by the Vice-Chairman of the Commission, Mr. Ole Kristian Holthe (Norway), on the basis of informal consultations held on draft resolution E/C.10/1991/L.5/Rev.1

The Commission on Transnational Corporations,

Recalling General Assembly resolution 3514 (XXX) of 15 December 1975, in which the Assembly, inter alia, condemned all corrupt practices, including bribery, by transnational corporations and other corporations, their intermediaries and others involved, in violation of the laws and regulations of host countries, reaffirmed the right of any State to adopt legislation and to investigate and take appropriate legal action, in accordance with its national laws and regulations, for such corrupt practices, and called upon all Governments to cooperate to prevent corrupt practices, including bribery,

Recalling also Economic and Social Council resolution 1913 (LVII) of 5 December 1974, by which the Council decided to establish the Commission and the Centre on Transnational Corporations to act, inter alia, to secure effective international arrangements within their mandate,

Recalling further the Declaration on International Economic Cooperation, in particular the Revitalization of Economic Growth and Development of the Developing Countries, adopted by the General Assembly at its eighteenth

special session, 1/ and the International Development Strategy for the Fourth United Nations Development Decade, 2/

Convinced that a stable and predictable environment for international business transactions is essential for the mobilization of investment, finance, technology, skills and other important resources across national borders, to promote economic and social development world wide, especially that of countries seeking to revitalize or develop their economies,

Recognizing that the prevention and the avoidance of corrupt practices are important elements in an improved international business environment, and that they enhance fairness and competitiveness in transnational business transactions for the benefit also of the general public,

Bearing in mind work undertaken in the Committee on an International Agreement on Illicit Payments as of 1979 in the formulation of an agreement, 3/ and that further activities are necessary for the prevention and avoidance of corrupt practices which would help strengthen international cooperation in that respect,

Bearing in mind General Assembly resolution 45/186 of 21 December 1990 concerning the draft code of conduct on transnational corporations,

Requests the Secretary-General to prepare a report on the status of United Nations efforts to address the issue of corrupt practices in international business transactions and to circulate it to Member States for the second regular session of the Economic and Social Council of 1991 in time for the ongoing consultations towards a final agreement on the draft code of conduct on transnational corporations, called for by the General Assembly in resolution 45/186, as an important contribution to that process.

1/ General Assembly resolution S-18/3, annex.

2/ General Assembly resolution 45/199, annex.

3/ See E/1979/104.